

CONTRACTING

with

HUD

2000 Edition

**U.S. Department & Urban Development
Office of the Chief Procurement Officer**

April 2000

General Information About HUD's Contracting

What does HUD do?

The Department of Housing and Urban Development (HUD) is the principal Federal agency responsible for the improvement and development of America's housing and communities. Among other things HUD's programs include:

- providing mortgage insurance to help individuals and families become homeowners;
- development, rehabilitation and modernization of the nation's public and Indian housing stock;
- development of HUD-insured multifamily housing;
- development, improvement and revitalization of America's urban centers and neighborhoods.
- providing rental subsidies to lower-income families to help them obtain affordable housing; and,
- enforcement of Federal Fair Housing laws.

HUD is assisted in carrying these various programs and in managing its own operations by a variety of independent contractors and vendors.

Who is responsible for awarding HUD contracts?

HUD's Chief Procurement Officer (CPO) has overall authority and responsibility for the Department's contracting activities. The CPO serves as HUD's Senior Procurement Executive. HUD's contracting activities are organized within the Office of the Chief Procurement Officer (OCPO).

Contracts are awarded and managed by four principal offices within OCPO: the Office of Procurement and Contracts (OPC) in Headquarters and the three Field Contracting Operations (FCOs) located in Philadelphia, Atlanta and Denver. The FCOs have branches and staff located in other cities within their jurisdictions. All four of these contracting organizations follow the same regulations and policies, but each operates with a fair amount of independence. Exhibit 1 provides a map showing the geographic areas served by each FCO. Contact information for OPC and the FCOs is available on HUD's internet homepage at:

<http://www.hud.gov/cts/ctsabout.html>

What does HUD buy?

HUD contracts for a variety of services and supplies. It's contracting needs may vary significantly from headquarters to field offices.

○ **Headquarters**

Contracts and purchases awarded here primarily support Headquarters programs and operations. They include professional services (e.g., research and evaluation studies, business process re-engineering, technical assistance to HUD funding recipients, etc.), and logistical support (building maintenance, supplies, etc.). They may also include logistical and technical support for the operation of the Department nationwide (e.g., information technology hardware, systems and services).

○ **Field**

The majority of HUD's field contracts and purchases support the field program operations of the Department's Office of Housing/Federal Housing Administration (FHA). The most common requirements are:

○ **Property Management, Marketing and Sales Services**

Under its Real Estate Owned Programs, HUD manages, markets and sells single and multifamily real estate properties (e.g., single family homes, apartment projects, nursing homes, etc.) nationwide. Contracted services may include property management (e.g., on-site managers), general repairs and maintenance, rehabilitation, property marketing, sales closings, routine inspections, appraisals, foreclosures, security guard services, demolition, and other related services (e.g., advertising, architectural/engineering design). These contracts may provide opportunities for small and small disadvantaged firms (see page 5 for a definition). They also may provide subcontracting opportunities (e.g., roofing, painting, paint removal, groundskeeping, snow removal, etc.).

○ **FHA Mortgage Insurance Support Services**

Contracted services for the FHA's Single and Multifamily Housing mortgage insurance programs may include: appraisals, field reviews of appraisals, architectural and compliance reviews, building inspections, mortgage credit analysis, mortgage insurance endorsement processing (including data entry), title service, underwriting analysis, construction cost analysis, construction inspections and review of owner financial statements and project occupancy. These services may be needed for both single and multifamily properties.

Please note... Purchases of general supplies and services to support the operations of HUD's field offices normally **do not** provide any significant broad open market contracting opportunities. The vast majority of these purchases are made using simplified acquisition procedures with local vendors or through orders placed under existing contracts (e.g., via Federal Supply Schedules established under contracts with the U.S. General Services Administration).

How much did HUD spend on contracts in 1999?

During the Federal fiscal year 1999 (October 1, 1998 through September 30, 1999), HUD purchased approximately \$1.2 billion worth of supplies and services for its own use (see Exhibit 2). Of that total, approximately \$660 million was obligated by OPC in HUD headquarters, and \$540 million was obligated by the three FCOs.

Was all that money spent on new contracts?

No. As is typically the case, a large portion of the 1999 dollars were used to place task and delivery orders under existing contracts and to exercise options to contracts. The number of new contracts awarded may vary widely from year to year depending on the existence of contracts to meet HUD's needs. When HUD has an ample number of current contracts available to meet its needs, relatively few new contracts may be awarded. When new needs arise or old contracts expire, more new awards will be made, and opportunities to compete for HUD's business will be greater. In 1999, HUD awarded a number of large contracts to support the field-based programs of its Office of Housing. That sort of dramatic increase in new contract awards is not, however, the norm. Most new contracts are awarded competitively, and competition for these contracts can be intense.

What contracting opportunities are there with organizations that receive HUD financial assistance?

HUD provides substantial amounts of financial assistance to State and local governments and nonprofit organizations for a variety of purposes (e.g., modernizing public housing, renovating urban areas, etc.). The amount of money spent by HUD's funding recipients may surpass the amount spent by HUD on its own direct procurements. HUD's funding recipients, in turn, contract directly for supplies, services and construction to help them carry out their projects. These procurements may offer considerable contracting opportunities in general and often provide ample opportunity for participation by small, small disadvantaged, and women-owned small businesses.

How does HUD find Contractors?

HUD does not solicit names for or maintain "bidders mailing lists." Instead, the Department posts new solicitations for contracts and notices of purchases expected to exceed \$25,000 on its Internet homepage. (Please see page 7 of this brochure for the Internet address.) Businesses can browse the current solicitations and download any of the complete solicitations they choose. We think this is a faster, less costly way to tell you about our opportunities. It also lets you decide which contracts you wish to compete for and reduces the risk of your missing out on any competition. Please note that HUD also lists prime contracts with potential subcontracting opportunities on this same page.

HUD's Procurement Opportunity Programs

What are Procurement Opportunity Programs?

The Procurement Opportunity Programs (POP) provide direct HUD contracting and subcontracting opportunities to businesses and organizations which are eligible for preferential treatment under a variety of Federal laws, Executive Orders, etc. (e.g., the Small Business Act). Eligible organizations include: small, small disadvantaged, women-owned small businesses, and HUBZone small businesses. The POPs also provide a means for establishing and monitoring HUD's annual goals for the participation of eligible businesses in its direct procurement of supplies and services and to report HUD's performance to the U.S. Small Business Administration (SBA).

HUD's Office of Small and Disadvantaged Business Utilization ("OSDBU") - created in response to Public Law 95-507 (the Amendments to the Small Business Act of 1958) - is responsible for the development and administration of the POP. For further information about the POP you may contact the OSDBU directly (see Exhibit 3). A brief description of each of the current POPs follows.

Small Business Set-Asides (see also FAR Subpart 19.5)

Section 15 of the Small Business Act, as amended, requires the Federal Government to reserve a fair proportion of its total purchases and contracts for property and services for small business concerns. The Government does this by reserving, or "setting aside," entire procurements or parts of procurements for small businesses. This does not guarantee that any particular small business will receive a contract. It means that only small businesses may compete for the contract ("total small business set-aside") or the reserved portion ("partial small business set-aside").

The Small Business Act also requires the Government to buy goods and services at competitive, fair market prices. Therefore, contracts are set aside only when at least two qualified small businesses are expected to submit offers that are competitive in terms of market prices, quality and delivery. In this context, "market price" means a price based on reasonable costs under normal competitive conditions, and not lowest possible cost (FAR 19.001).

The SBA establishes size standards defining small businesses on an industry-by-industry basis. They are defined by dollar volume of sales, number of employees, or a combination of these factors. Size standards are published in FAR Subpart 19.1 and are also available online at SBA's Internet site (see page 7). The size standard is particular to the supplies or services being procured, i.e., it varies by procurement.

Small Business Subcontracting Program (see also FAR Subpart 19.7)

Section 211 of Public Law 95-507 requires that the successful offeror or bidder on contracts valued at \$500,000 or more (\$1 million for construction of public facilities) must submit to the awarding agency an acceptable subcontracting plan that sets percentage and dollar goals for the award of subcontracts to small and small disadvantaged businesses. (NOTE: Small business concerns receiving prime contracts are exempt from this requirement.) The plan must be submitted and accepted before the contract may be awarded. All subcontracting plans submitted by prime contractors are reviewed by appropriate HUD staff (OSDBU, Small Business Specialists, Contracting Officers) to ensure compliance with the requirements of Section 211.

Section 8(a) Program (see also FAR Subpart 19.8)

Section 8(a) of the Small Business Act authorizes the SBA to enter into contracts with other Federal government agencies to supply needed goods and services. The SBA in turn subcontracts the actual performance of the work to small businesses enrolled in the SBA's 8(a) Program. The goal of the 8(a) Program is to help eligible small disadvantaged firms become independently competitive for Federal contracts.

The selection of an 8(a) subcontractor may be made on a sole source or competitive basis. Contracts under \$3 million (\$5 million for construction contracts) are normally awarded on a sole source basis. Contracts in excess of \$3 million must be competed among 8(a) firms. HUD has executed a memorandum of understanding with the SBA which allows it to directly award 8(a) contracts to 8(a) firms. This helps speed up the award of these contracts.

To be eligible for 8(a) Program participation, a small business must be at least 51 percent owned, controlled and daily operated by one or more socially and economically disadvantaged persons.

- **“Socially disadvantaged”** individuals are those who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of certain groups. Black Americans, Native Americans, Hispanic Americans, Asian-Pacific Americans and Asian-Indian Americans have been officially designated as socially disadvantaged. Members of other groups must show proof of their socially disadvantaged status.
- **“Economically disadvantaged”** individuals are socially disadvantaged individuals (as defined above) whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities. Economic disadvantage must be established for all applicants. The SBA determines eligibility on a case-by-case basis.

All applications for the 8(a) Program must be made directly to the SBA. If you are interested in the program, contact your nearest SBA office or HUD Small Business Specialist (see Exhibit 3).

Women-Owned Small Business Program (see also FAR Subpart 19.9)

Executive Order 12138 (“National Women’s Business Enterprise Policy”) directs all Federal agencies to take action to strengthen women-owned business enterprise and to ensure full participation by women in the free enterprise system. The Order does not permit HUD to set-aside procurements for women-owned businesses. HUD makes special efforts, though, to advise women business owners of contracting opportunities and to encourage their participation in HUD procurement. The FAR requires Federal agencies to actively encourage their prime contractors to use women-owned small businesses as subcontractors. All contracts valued at \$100,000 or more include a clause which requires the prime contractor to provide the maximum practicable opportunity to women-owned small businesses to compete for subcontracts.

A women-owned small business concern is defined as at least 51 percent owned by one or more women, or in the case of publicly owned businesses, at least 51 percent of the stock is owned by one or more women, and the management and daily operations of which are controlled by one or more women.

Small Disadvantaged Business Participation Program

(see also FAR Subparts 19.11 and 19.12)

HUD also encourages the award of prime contracts valued at \$100,000 or more to small disadvantaged business (SDB) concerns (other than certified 8(a) firms) that are at least 51 percent owned and controlled by socially and economically disadvantaged individuals. As a means of ensuring SDBs the maximum practicable opportunity to compete for and receive Federal contracts, small businesses certified as SDBs can receive up price preference (currently 10%) or evaluation credit when competing for certain procurements. The Department of Commerce determines which industrial categories are eligible for the SDB contract price preference and evaluation credits. Businesses seeking certification as SDBs should contact the SBA for more information.

Historically Underutilized Business Zone (HUBZone) Program

(see FAR Subpart 19.13)

Created by the HUBZone Act of 1997, Title VI of Public Law 105135, this program provides Federal contracting opportunities for certain qualified small business concerns located in economically distressed communities. The goal of the HUBZone Program is to provide federal contracting assistance for qualified small business concerns located in HUBZone areas in order to increase employment opportunities, stimulate capital investments in those areas, and empower communities through economic leveraging. HUBZone areas are determined by various census data. To qualify as a HUBZone business, the business must be small, owned by a US citizen and have its principal office located in a HUBZone. At least 35% of the employees must reside in a HUBZone. The SBA formally certifies firms as HUBZone businesses. HUBZone businesses can receive sole-source or set-aside federal contracts or receive a price preference up to 10% when competing for full and open competition procurements.

Minority Business Enterprise (MBE) Programs (Executive Orders 12432, “Minority Business Enterprise Development” and 11625, “National Program for Minority Business Enterprise”)

OSDBU is charged with overseeing the implementation of voluntary compliance programs to stimulate MBE participation in procurement and assistance programs. OSDBU provides advice and recommendations to the Secretary of HUD on MBE activities, prepares, monitors and evaluates the Department's Annual Minority Business Development Plan and reports MBE program performance to the Minority Business Development Agency (MBDA) of the Department of Commerce.

Minority-Owned Media

HUD is committed to the use of minority-owned media to the extent practical and cost effective. The Department buys advertising for HUD's programs (e.g., Fair Housing billboard displays, Housing's Real Estate Owned property sales and Section 202 Housing for the Elderly, etc.). The total expenditures for advertising under these activities and the portion of total dollars spent with the minority media is reported semi-annually to OSDBU. OSDBU is responsible for monitoring HUD's procurement of minority media services.

For More Information...

Where can I get more information about HUD's programs and contracting and subcontracting opportunities?

- **HUD's Internet Homepage.** Like most of the business community, HUD is moving quickly to do more business electronically via the Internet. Headquarters and most of HUD's State and Area Offices now have homepages where you can find general information about HUD and its programs. The main homepage is located at:

<http://www.hud.gov>

Within its main homepage, HUD also has a Contracting homepage located at:

<http://www.hud.gov/cts/ctshome.html>

The Contracting homepage includes:

- Current open solicitations for bids and proposals for new HUD contracts (and any amendments). The solicitations can be downloaded directly from the homepage saving you considerable time.
 - A list of prime contracts that may present significant subcontracting opportunities.
 - A small business assistance site that includes a schedule of upcoming small business conferences and fairs and the names and addresses of HUD's Small Business Specialists.
 - Valuable business links to other sources of information about Federal contracting.
- **HUD Staff**
 - **Program staff** (e.g., within the Office of Housing, Public Housing, etc.) are a good source of information concerning their programs and their funding recipients (e.g., Public Housing Agencies). Office addresses and phone numbers are available through HUD's Internet Homepage (see above).
 - **HUD Small Business Specialists** can help you identify HUD contracting and subcontracting opportunities. The Small Business Specialists are your primary points of contact in HUD. See Exhibit 3 for their names and locations.
 - **OSDBU** helps small businesses understand HUD's operations and needs, and will direct you to appropriate sources of information. The office is available to give direct advice, as needed. OSDBU also participates in government/industry conferences to assist small and small disadvantaged businesses and sponsors seminars and presentations at appropriate trade shows and business conferences. See Exhibit 3 for OSDBU's address and phone number.

What other sources of information would be helpful?

- **The Commerce Business Daily (CBD).** The CBD is published by the U.S. Department of Commerce every Federal business day. The CBD lists contracting opportunities with all Federal agencies. With few exceptions, notices of upcoming solicitations for new HUD contracts and purchases expected to exceed \$25,000 are published in the CBD. Notices of awards of contracts that have subcontracting opportunities are also published. The CBD can now be accessed via the Internet through the Government Printing Office's CBDNet located at:

<http://cbdnet.access.gpo.gov>

Access to the CBDNet is free. (HUD's Internet contracting site (see above) also has a link to the CBDNet). The CBD is also available in most public and Federal libraries. You may also buy a hard copy subscription to the CBD (price starts at \$275 annually). To subscribe, contact the Superintendent of Documents, Government Printing Office, Washington, DC 20402-9371. You may also order the CBD via the Government Printing Office's Internet homepage located at:

<http://www.access.gpo.gov>

- **The U.S. Small Business Administration (SBA).** The SBA offers a wide variety of services and assistance to small and small disadvantaged businesses. Government contracting offices work closely with the SBA in seeking small business suppliers. Local SBA offices frequently can direct firms to agencies that purchase products they offer. The SBA can also provide names and addresses of prospective military and civilian agency customers. Information about the SBA's programs and services is readily available from its Internet homepage at:

<http://www.sbaonline.sba.gov>

The SBA also posts small business size standards at:

<http://www.sba.gov/regulations/siccodes>

HUBZone information is available at:

<http://www.sba.gov/hubzone>

The SBA also maintains a contractor registration program on an electronic procurement-information system that includes access to the Commerce Business Daily, Federal agency homepages, and sources of procurement opportunities. Participating firms can update their own profiles, link their homepages to their profiles, and receive and ask questions about procurement opportunities. To register and/or learn more about PRO-NET, access its Internet site at:

<http://pro-net.sba.gov/>

- **“U.S. Government Purchasing and Sales Directory, Revised 1994”** is a comprehensive guide to the Government's purchasing and sales activities. The directory lists over 4,000 products and services purchased throughout the Government. It tells you what agencies buy and explains how to contact appropriate contracting offices. The directory also contains an overview of how the Government purchases goods and services and describes the types of assistance that the SBA provides to small businesses interested in Government contracting and subcontracting opportunities. Copies may be purchased from the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402 (Stock No. 045-000-00272-1) and may be ordered via the Government Printing Office's *Online Bookstore* at:

<http://bookstore.gpo.gov/index.html>

- **General Services Administration (“GSA”) Small Business Centers.** The GSA is the largest civilian Federal agency buyer of general supplies and services. It provides operational supplies and services to the civilian Federal agencies through its Federal Supply Service. Most of these supplies and services are furnished by independent contractors. The GSA Small Business Centers provide advice to small businesses about GSA's contracting opportunities. While these opportunities are not reserved exclusively for small disadvantaged businesses, they represent an important government resource available to them. Interested business concerns should contact their local GSA regional or area office for more information, or visit GSA's Office of Enterprise Development's Internet homepage at:

<http://www.gsa.gov/oed/index.htm>

- **Defense Logistics Agency (“DLA”).** The DLA provides supplies to the U.S. military services. The DLA has numerous contracting offices that buy more than 4 million different items - everything from food to fuel. You can find out more about DLA's contracting opportunities at their Small and Disadvantaged Business Utilization Office Internet homepage at:

<http://www.dla.mil/ddas>

- **The “Federal Acquisition Jumpstation.”** This Internet site provides links to many of the Federal Government's contracting sites. If HUD doesn't contract for the services or products your company sells, another Federal Government agency probably does. This is where you can find many of their homepages. The Jumpstation's address is:

<http://nais.nasa.gov/fedproc/home.html>

- **Local governments and HUD funding recipients.** This group includes cities, counties, Public and Indian Housing agencies and authorities private property developers and owners receiving HUD mortgage insurance, etc. At present there is no comprehensive listing of these organizations. The best way to learn of potential contracting or subcontracting opportunities is through HUD program staff (see above) or HUD's Internet Homepage.

Marketing Tips

Pay Us a Visit.

If you are close to a HUD Office, or if you are in town, stop in to see our Small Business Specialists. Please try to call ahead and set up an appointment.

You can pay us a virtual visit by stopping by HUD's homepage, especially the contracting page. When you do, “bookmark” the Contracting Opportunities page. Then, visit it regularly to see what opportunities are available.

Market Widely.

It may be that HUD does not buy the products or services your company sells. Chances are, though, that some Federal Government agency does. Like HUD, many other agencies are also now posting their contracting opportunities on their Internet homepages. Many of these homepages are now directly linked to HUD's contracting homepage.

**HUD'S CONTRACT OBLIGATIONS
FOR FISCAL YEARS 1998 AND 1999
BY PRINCIPAL OFFICE**

Headquarters Program Office	1998	1999
Administration	\$26,577,767	\$32,120,903
Administration - Information Technology	191,712,768	294,080,502
Housing*	92,369,382	114,282,337
Government National Mortgage Association ("Ginnie Mae")	27,183,621	47,966,609
Public & Indian Housing	25,912,390	48,362,815
Community Planning & Development	16,147,535	17,783,888
Policy Development & Research	29,610,724	62,498,749
Real Estate Assessment Center	16,658,582	20,794,881
Enforcement Center	1,447,482	2,850,707
All others	10,307,377	13,764,247
Total Contract Obligations	437,927,728	654,505,138
HQ Small Purchases	4,035,195	5,809,880
GSA Supply Orders	16,869,779	16,541,774
Total Headquarters	\$458,832,702	\$676,856,792
Field Contracts	182,268,020	522,043,990
Field IAAs	700,957	1,597,571
Field GSA Orders	5,051,000	4,694,000
Field Small Purchases	16,078,352	21,211,038
Total Field	\$204,098,329	\$549,546,599
DEPARTMENT TOTALS	\$662,931,031	\$1,226,403,391

* Includes \$200,000 of obligations for OMHAR in FY 1998 and \$5,492,178 in FY 1999.

HUD'S SMALL BUSINESS SPECIALISTS

- For Headquarters contracting opportunities, please contact:

Joseph Piljay

Small Business Specialist
Office of Small and Disadvantaged
Business Utilization
U.S. Department of Housing
and Urban Development
451 Seventh Street, SW
Room 3130 (SS)
Washington, DC 20410
Voice: (202) 708-3350
Fax: (202) 708-7642
E-mail: Joseph_M._Piljay@hud.gov

- For general information concerning HUD contracting with small businesses please contact:

Ms. Antoinette Henry

Procurement Analyst
Office of Procurement and Contracts
Policy & Field Operations Division
U.S. Department of Housing
and Urban Development
451 Seventh Street, SW
Room 5276 (NCP)
Washington, DC 20410
Voice: (202) 708-0294
Fax: (202) 708-8912
E-mail: Antoinette_S._Henry@hud.gov

- For HUD's Field contracting opportunities, please contact:

Philadelphia Contracting Operations
(Northeast/Midwest U.S.)

John R. Karwowski

U.S. Department of Housing
and Urban Development
Massachusetts State Office
10 Causeway Street - Room 365
Boston, MA 02222-1092
Voice: (617) 565-6788
Fax: (617) 565-5257
E-mail: John_R._Karwowski@hud.gov

Atlanta Contracting Operations
(Southeast/Southwest U.S.)

Kimberlee Satterfield

U.S. Department of Housing
and Urban Development
Georgia State Office
75 Spring Street (4AAC)
Atlanta, GA 30303-3388
Voice: (404) 730-2705
Fax: (404) 730-3426
E-mail: Kimberlee_L._Satterfield@hud.gov

Denver Contracting Operations
(Western U.S./Alaska/Hawaii)

Nancy Paulette

U.S. Department of Housing
and Urban Development
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633 17th Street, (8AAC)
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